

Remuneration Report

AIXTRON SE has introduced a new Executive Board remuneration system (“new remuneration system”), which was approved by the Annual General Meeting on May 20, 2020. This system is applicable to all contracts concluded with members of the Company’s Executive Board subsequent to May 20, 2020. In parallel to the new remuneration system, the former remuneration system approved by the Annual General Meeting on May 16, 2018 continues to apply to existing contracts with members of the Executive Board (“former remuneration system”). This means that two remuneration systems were applied in the 2020 year under report. The following remuneration report sets out the principles underlying these remuneration systems for the Executive and Supervisory Boards of AIXTRON SE as applicable in the 2020 year under report and explains the structure and amount of remuneration. The description of the former remuneration system has been limited to those elements which were applied in fiscal year 2020. Furthermore, the remuneration report also includes individualized disclosures on the remuneration of individual members of the Executive and Supervisory Boards. The remuneration report also includes disclosures made in accordance with the requirements of the German Commercial Code (HGB) and of International

Financial Reporting Standards (IFRS), as well as select disclosures already provided on a voluntarily basis in accordance with the material requirements of the German Act on the Transposition of the Second Shareholder Rights Directive (Gesetz zur Umsetzung der zweiten Aktionärsrichtlinie, ARUG II).

Principles of former remuneration system (Application to former Executive Board contracts)

The former remuneration system for members of the Executive Board of AIXTRON SE is aligned not only with the commercial and financial situation and future prospects of the Company and the customary level and structure of Executive Board remuneration at comparable companies but also with the remuneration structure in place in other areas of the Company. In addition, the responsibilities, experience and contribution of each individual Executive Board member, and the long-term commitment to the Company, are taken into account when calculating the remuneration.

Executive Board remuneration consists of three components: fixed remuneration (including benefits in kind and payments into a private pension insurance), variable remuneration, and share-based remuneration.

Scope of application in 2020

In fiscal year 2020, the former remuneration system was applied to former Executive Board contracts as follows:

- Dr. Bernd Schulte: from January 1, 2020 to December 31, 2020
- Dr. Felix Grawert: from January 1, 2020 to August 13, 2020.

Fixed remuneration in former remuneration system

The Executive Board employment contracts stipulate an annual income for the fixed remuneration component. The fixed remuneration component is non-performance-related and is paid out as a monthly salary. Additional payments in kind are provided, mainly in the form of Company car usage and payments for individual private pension insurance.

Variable remuneration in former remuneration system

The limited variable remuneration scheme for the collective Executive Board (profit-sharing) is based on consolidated net income for the year and is paid from an "accrued internal bonus pool", defined as up to 10% of the consolidated net income for the year, but not to exceed EUR 6.5 million in total. The consolidated net income for the year is obtained from the Company's consolidated financial statements (IFRS) certified by the auditor.

The variable remuneration per member of the Executive Board – paid out of the above mentioned “accrued internal bonus pool” – amounts to 2.5% of the Group’s net income per board member and is paid half in cash and half in stocks. The portion of the variable bonus that is payable in stocks is converted into whole numbers of stocks of the Company and deferred to the third banking day after the Annual General Meeting in the third fiscal year after being granted to the Board members. The number of stocks to be granted for the part of the variable bonus payable in stocks is determined by reference to the closing price of the Company’s stock on the third banking day after the Annual General Meeting to which the annual and consolidated financial statements are presented for the fiscal year for which the bonus is granted. The stocks are serviced from treasury stocks. During the multiyear qualifying period, the Executive Board members participate in both positive and negative developments in the stock price. This means the variable remuneration structure is clearly aligned to sustainable Company performance.

Share-based remuneration in former remuneration system

In addition, as a variable component with a long-term incentive effect and risk character, Executive Board members may receive share-based remuneration in the form of option rights granted under AIXTRON’s stock option plans or of AIXTRON stocks. Under a historic contract, Dr. Grawert thus receives stocks in the Company worth EUR 50,000 per fiscal year. The number of shares is determined on the basis of the closing price of the Company’s share on the third banking day after the Annual General Meeting to which the annual and consolidated financial statements are presented for the corresponding fiscal year. No stock options were granted in fiscal year 2020. Details of the outstanding Executive Board options and of their allocation to individual stock option plans and tranches can be found below in the section [“Remuneration of Executive Board members in fiscal year 2020”](#).

Other aspects of former remuneration system

The former remuneration system does not provide any individual pension commitments for the current Executive Board members. In view of this, no provisions for pensions have been stated. Executive Board members also do not receive any loans from the Company.

Principles of new remuneration system (Application to new Executive Board contracts)

The new remuneration system was introduced at AIXTRON SE following the approval provided by the Annual General Meeting on May 20, 2020. It takes into account selected requirements of the German Act on the Transposition of the Second Shareholder Rights Directive (Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie, (ARUG II)) and is aligned to the recommendations made in the new version of the German Corporate Governance Code taking effect on March 20, 2020 (DCGK 2020).

Scope of application in 2020

The new remuneration system was applied to new Executive Board employment contracts in

fiscal year 2020 as follows:

- Dr. Felix Grawert: from August 14, 2020 to December 31, 2020
- Dr. Jochen Linck: from October 1, 2020 to December 31, 2020.

Principles of new remuneration system

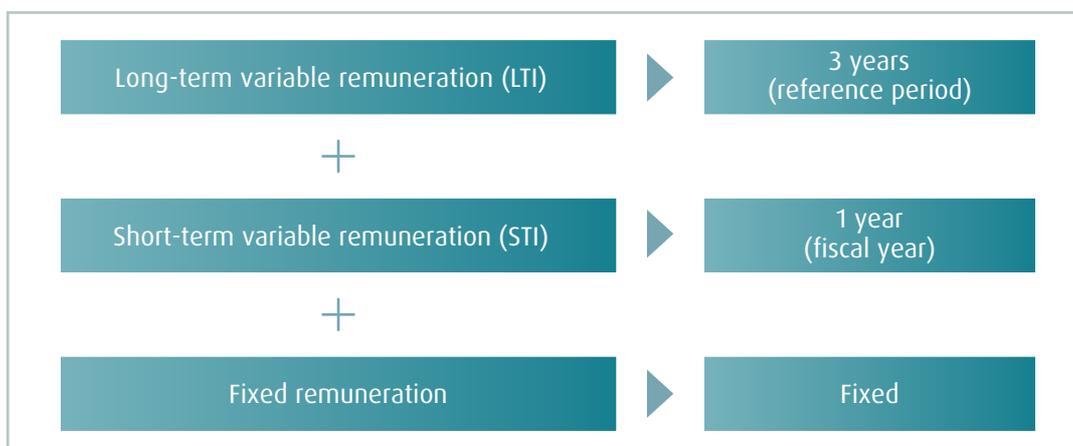
Executive Board remuneration at AIXTRON SE is structured in a way that creates incentives for the sustainable, long-term development of the Company and for the long-term commitment of Executive Board members.

The Supervisory Board sets the specific remuneration for each Executive Board member on the basis of the remuneration system. To the extent legally permissible, the Supervisory Board seeks to offer Executive Board members remuneration that is both in line with the market and competitive, also in order to be able to recruit outstanding individuals to AIXTRON SE and gain their long-term commitment.

Based on the remuneration system, the Supervisory Board sets target total remuneration for each individual Executive Board member for the forthcoming fiscal year. This consists of **three components**:

- **fixed remuneration**,
- **short-term performance-related variable remuneration** (short-term incentive, STI), and
- **long-term performance-related variable remuneration** (long-term incentive, LTI).

Remuneration structure



Fixed remuneration consists of fixed, non-performance-related base remuneration, which is paid out as a monthly salary. Other components of fixed remuneration include fringe benefits, such as the provision of a Company car, allowances for individual private pensions, and the as-

sumption of costs for other insurance policies.

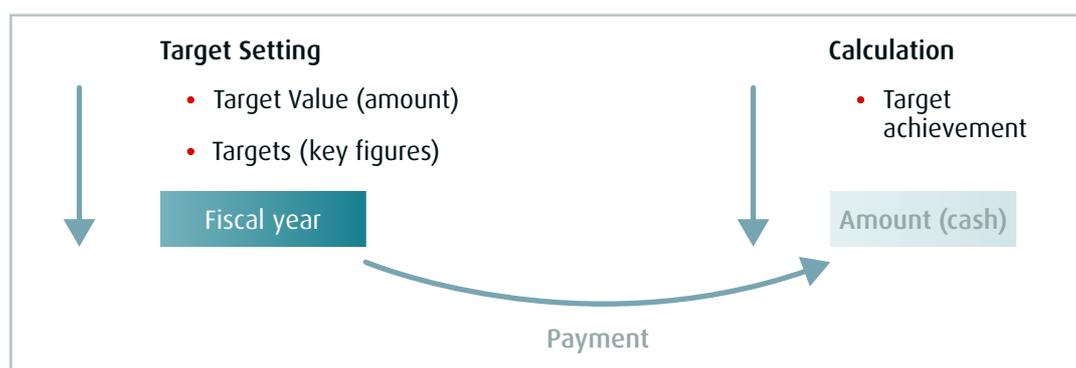
Variable remuneration is tied to the performance of the AIXTRON Group and consists of short-term variable remuneration (STI) and long-term variable remuneration (LTI). The amount of both components depends on the achievement of financial and non-financial performance indicators.

Short-term performance-related variable remuneration (STI) in new remuneration system

The short-term performance-related remuneration, also referred to as the **short-term incentive (STI)**, is geared to the performance of the AIXTRON Group in the given fiscal year and is paid out in full in cash.

The STI is determined using the indicators consolidated net income for the year, the market position of the AIXTRON Group, as well as financial and operational targets. In this regard, the relative weighting amounts to 70% for consolidated net income for the year, 15% for market position, and 15% for financial and operational targets.

Short-term variable remuneration (STI)



The **targets are set** prior to the start of a fiscal year: The Supervisory Board establishes the STI's target value and the targets based on the aforementioned indicators. In the event of 100% target achievement, the target STI varies from 1.1% to 1.75% of the consolidated net income for the year pursuant to the budget approved by the Supervisory Board for the fiscal year.

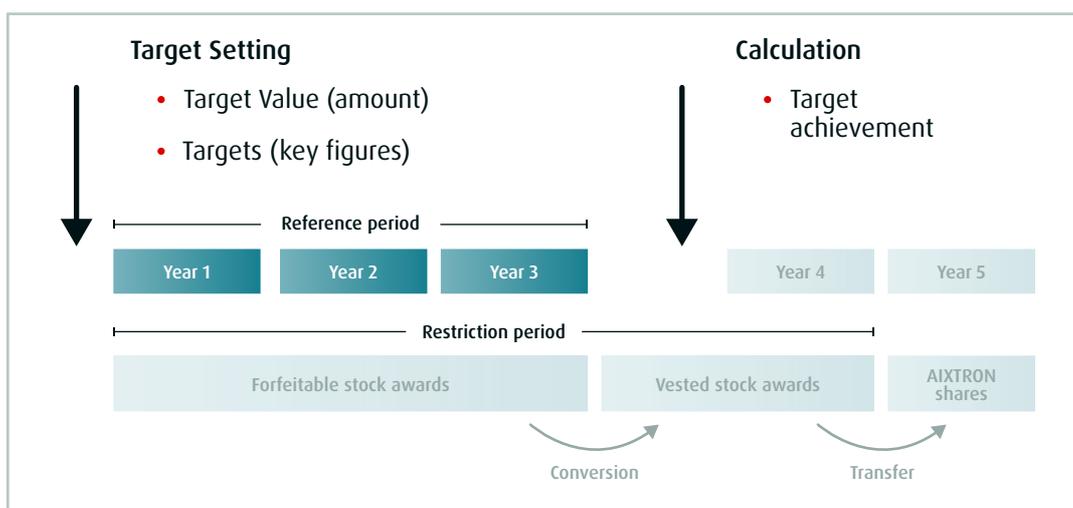
STI **target achievement** is determined after the expiry of the fiscal year. This is capped at a maximum of 250% target achievement. No STI is paid if the consolidated net income for the year is negative, i.e. in years in which the Company posts a loss. STI is paid out in cash after the Supervisory Board has approved the consolidated financial statements.

Long-term performance-related variable remuneration (LTI) in new remuneration system

The amount of long-term performance-related remuneration, also referred to as the **long-term incentive (LTI)**, is geared to the performance of the AIXTRON Group over a **3-year reference period** and is granted entirely in AIXTRON shares. Executive Board members may first dispose of these shares following a four-year holding period calculated from the start of the reference period.

Before the start of a fiscal year, the Supervisory Board determines the **long-term targets** for each Executive Board member for the forthcoming reference period. Each Executive Board member receives forfeitable stock awards in the amount of the **target LTI**, which varies from 1.4% to 2.25% of the consolidated net income for the year pursuant to the budget adopted by the Supervisory Board for the fiscal year. The number of forfeitable stock awards is calculated based on the average of the closing prices on all stock market trading days in the final quarter of the previous year. If consolidated net income for the year is budgeted to be zero or negative, and if a return to profitability is expected during the reference period, the Supervisory Board may within reasonable limits specify a LTI value for the fiscal year.

Long-term variable remuneration (LTI)



LTI target achievement is determined using the indicators consolidated net income for the year and total shareholder return (TSR), as well as sustainability targets. In this regard, the relative weighting amounts to 50% for consolidated net income for the year, 40% for TSR, and 10% for sustainability targets.

For the **first LTI key figure**, the **consolidated net income for the year**, before the start of each fiscal year the Supervisory Board sets a target value that the aggregate consolidated net incomes for must achieve during the reference period. After the reference period ends, the ratio of the actual value to the target value is calculated. If the two values are identical, target achievement amounts to 100%. Target achievement is capped at a maximum of 250%. If the ratio is zero or negative, target achievement amounts to 0%. A linear interpolation takes place between the values of 0% and 250%.

The **second LTI key figure**, the **TSR**, denotes the total shareholder return over the reference period and is calculated as the ratio of the change in the stock price, plus paid dividends, at the end of the reference period to the value at the start of the reference period. The TSR for AIXTRON stock is determined by the weighted TSR for a comparative group, which consists of the shares of six semiconductor equipment manufacturers – Veeco Instruments, Applied Materials, Tokyo Electron, Lam Research, ASML, and ASMI – and is weighted in proportion to their market capitalization.

Changes in the share prices are determined by reference to the difference between the average values of the closing prices on all stock market trading days in the final quarter before the start of the reference period and in the final quarter of the reference period. After the reference period ends, the ratio of the development in the TSR for AIXTRON shares to the development in the TSR for the comparative group is calculated. Target achievement is capped at a maximum of 250% and amounts to 0% if the ratio is less than 50%. A linear interpolation takes place between these values. If during the period under consideration the enterprises in the comparative group experience extraordinary changes (such as mergers, changes in business activities, etc.), the Supervisory Board may take this appropriately into consideration with regard to the composition of the comparative group. In such case, the Supervisory Board will report on this in the annual remuneration report.

The **third LTI key figure** is calculated by reference to **sustainability targets** set by the Supervisory Board at the start of each reference period. These targets refer to the areas of environment, social affairs, and good corporate governance. Target achievement corresponds to the ratio of the actual values to the target values and is capped at 250%. Before the start of each fiscal year, the Supervisory Board sets two to three sustainability targets that are to be achieved by the end of the reference period. The sustainability targets that the Supervisory Board may choose from before the start of a fiscal year when setting targets for the respective Executive Board member include, among others: efficient use of energy and raw materials, reduction of emissions, employee satisfaction and development, customer satisfaction, innovation achievements, successor planning, and compliance.

After the expiry of the three-year reference period, the degree of LTI target achievement is determined by the Supervisory Board. Depending on the degree of target achievement, the forfeitable stock awards are then converted into vested stock awards or otherwise lapse. The maximum number of vested stock awards that may be granted in connection with LTI is capped at 250% of the number of forfeitable stock awards granted at the start of the reference period.

Following expiry of the **four-year restriction period**, the shares are transferred to the Executive Board member, with due compliance with the maximum remuneration limits set out below. The Executive Board member is not entitled to receive dividends during the restriction period.

Remuneration limits in new remuneration system

The remuneration system is intended to provide appropriate rewards for successful Executive Board work and to ensure that the Executive Board and shareholders all benefit from the Company's positive development.

At the same time, to prevent the taking of inappropriate risks and ensure an appropriate relation to the situation of AIXTRON SE, Executive Board remuneration is limited by setting **maximum remuneration** and a **remuneration cap**.

Maximum remuneration (expenditure cap), i.e. the total remuneration owed to the Executive Board for a fiscal year, may not exceed EUR 6.5 million in the case of two Executive Board members or EUR 10.0 million in the case of three or more Executive Board members. This represents the **expenditure cap**, i.e. the maximum expense for the Company.

There is also a **remuneration cap (allocation cap)** for the aggregate of fixed remuneration, STI, and LTI. The actual allocation for each Executive Board member for a fiscal year is capped at four times the Executive Board member's target total remuneration. This is the **allocation cap**. If the remuneration cap is exceeded, a portion of the vested stock awards previously awarded is forfeited to ensure compliance.

Fixed remuneration will generally account for 20% to 40% of **target total remuneration**, while **variable remuneration** will make up 60% to 80%. Long-term remuneration will account for a greater share of remuneration in order to provide incentives for long-term and sustainable actions. No additional remuneration is paid for group-internal mandates, such as at subsidiaries.

Further provisions governing new remuneration system

To ensure that the interests of the Executive Board are aligned with those of shareholders, the Company has a **stockholding policy**. Following a four-year build-up phase, each Executive Board member is obliged to hold AIXTRON stock worth 100% of their base remuneration on a permanent basis throughout their term of office. The value of vested stock awards is set off against the respective target shareholding value. Executive Board members may sell shares only if they exceed the respective target value.

Furthermore, a **sanctioning mechanism**, i.e. claw-back provision, applies for **breaches of duty or compliance**. Based on this mechanism, in the event of such breaches the Supervisory Board may reduce variable remuneration components not yet paid out, allow stock awards to lapse, or even claw these back. These possibilities may be exercised even when the Executive Board member is no longer in office and is no longer employed by the Company.

In justified exceptional circumstances, such as severe economic crises, the effects of which render the original Company targets invalid, the Supervisory Board may resolve a temporary divergence from the remuneration system if such divergence is in the interests of AIXTRON SE. As a general rule, the targets and target values do not change during the periods relevant for the respective target achievement, even if developments in the overall market are unfavorable.

A detailed description of the new Executive Board remuneration system adopted by the Annual General Meeting on May 20, 2020 can be found on AIXTRON's website at <https://www.aixtron.com/en/investors/corporate-governance/remuneration-policy>.

Comparison of remuneration in new remuneration system

The Supervisory Board reviews the appropriateness of the various components of remuneration on an annual basis. The remuneration system is presented to the Annual General Meeting for approval in the event of any material changes to the system and at least every four years.

For the purposes of external comparison, the Supervisory Board refers to remuneration data at the semiconductor equipment manufacturers Veeco Instruments, Applied Materials, Lam Research, ASML, and ASMI, as well as to those companies listed in the TecDAX that have market capitalizations between 50% and 200% of that at AIXTRON SE.

For the internal comparison, the Supervisory Board defines the senior management level as the ten senior managers whose remuneration is not tied to collective bargaining agreements and who have the greatest managerial responsibility and decision-making powers.

Reporting in new remuneration system

The Executive Board and the Supervisory Board prepare a remuneration report each year in accordance with statutory provisions. The remuneration report for fiscal year 2020 already includes select disclosures that are provided on a voluntary basis in accordance with the material requirements of the German Act on the Transposition of the Second Shareholder Rights Directive (ARUG II). A remuneration report consistent with the requirements of stock corporation law pursuant to § 162 AktG as amended by ARUG II will be published for the first time for fiscal year 2021. In this, the Supervisory Board will explain which performance criteria were applied and how the amounts of the respective variable remuneration components are calculated.

Remuneration reports for previous fiscal years each contain an outlook on application of the remuneration system in the respective current fiscal year. The outlook provides advance information about the selection of financial performance criteria. By contrast, non-financial performance criteria and the specific targets set for financial indicators are only explained once the periods relevant for STI and/or LTI have expired. This avoids the premature disclosure of any strategic projects with a bearing on competition.

Arrangements upon contract termination

Should a contract with an Executive Board member be terminated, then the outstanding variable remuneration components attributable to the time through to termination of the contract will be paid out in accordance with the originally agreed targets and comparison parameters and with the due dates or holding periods specified in the contract. If an Executive Board contract ends during a fiscal year, STI and LTI are granted on a prorated basis relative to the length of service in this fiscal year.

The foregoing does not apply to cases in which the employment contract is terminated without notice for cause inherent in the Executive Board member for which he or she is responsible. In such case, variable remuneration will not be paid for the year in which termination becomes effective.

In the case of **premature termination of the Executive Board mandate** by reason of revocation of the appointment, the Executive Board member will be paid a severance equal to the remuneration expected to be owed by the Company for the remaining term of the employment contract, but not more than two years of remuneration (severance cap).

When agreeing employment contracts with Executive Board members, the Supervisory Board may stipulate that, in the event of the contract being terminated due to a change-of-control event, severance will be paid in the aforementioned maximum amount. A **change-of-control event** in the foregoing sense exists where a third party, or a group of third parties who combine their shareholding by contract in order to act as a single third party, directly or indirectly holds more than 50% of the Company's share capital.

No benefits in excess of this severance payment are permitted.

In the event of premature termination of the Executive Board mandate based on mutual agreement to end the employment contract, the total value of benefits pledged by the Company to the Executive Board member in connection with such agreement may not exceed the amount of remuneration expected to be owed by the Company for the original remaining term of the employment contract and may not exceed a maximum of two annual remuneration packages.

Remuneration of Executive Board members in fiscal year 2020

Executive Board remuneration

The following section describes the specific application of the remuneration system for members of the Executive Board of AIXTRON SE in fiscal year 2020. It includes details and background information about the total remuneration of the Executive Board, the setting and achievement of targets for variable remuneration, and individualized disclosures on the remuneration of individual Executive Board members for fiscal year 2020.

Total remuneration for fiscal year 2020

Total Executive Board remuneration for fiscal year amounted to EUR 2,956,429 (2019: EUR 2,459,339; 2018: EUR 3,133,032). The non-performance-related fixed remuneration of the Executive Board for fiscal year 2020, comprising base remuneration, allowances for pension schemes, and benefits in kind, amounted to a total of EUR 911,530 (2019: EUR 785,469; 2018: EUR 789,932).

Base remuneration for fiscal year 2020

Base remuneration comprised the following amounts in fiscal year 2020:

- for Dr. Felix Grawert: EUR 343,000
- for Dr. Bernd Schulte: EUR 390,000
- for Dr. Jochen Linck: EUR 75,000 (October 1, 2020 – December 31, 2020)

Pension allowances for fiscal year 2020

The Executive Board members in office in the year under report do not have individual pension commitments, as a result of which no provisions are stated for pensions. The Company rather pays pension allowances to Executive Board members together with their salaries or makes contributions to an insurance contract with a pension fund.

Pension allowances form a constituent component of the non-performance-related fixed remuneration of the Executive Board. They comprised the following amounts in fiscal year 2020:

- for Dr. Felix Grawert: EUR 30,000
- for Dr. Bernd Schulte: EUR 40,000
- for Dr. Jochen Linck: EUR 7,500 (October 1, 2020 – December 31, 2020)

Variable remuneration for fiscal year 2020 under former remuneration system

The former remuneration system was applied in fiscal year 2020 to determine the variable remuneration payable to Dr. Felix Grawert from January 1, 2020 to August 13, 2020 and to Dr. Bernd Schulte from January 1, 2020 to December 31, 2020. Variable remuneration under the former remuneration system amounts to 2.5% of consolidated net income for the year per Executive Board member and is paid out on a prorated basis, with half being paid in cash and half in shares. Under the former remuneration system, this resulted in the following variable remuneration for fiscal year 2020:

- for Dr. Felix Grawert: EUR 267,000 in cash and EUR 267,000 to be granted in shares,
- for Dr. Bernd Schulte: EUR 431,000 in cash and EUR 431,000 to be granted in shares.

Furthermore, under his former contract Dr. Felix Grawert received AIXTRON shares worth EUR 50,000 per full fiscal year. On a prorated basis for the period from January 1, 2020 to August 13, 2020, this resulted in the following claim:

- for Dr. Felix Grawert: EUR 31,000 to be granted in shares.

Short-term variable remuneration (STI) for fiscal year 2020 under new remuneration system

In fiscal year 2020, the new remuneration system was applied to determine the short-term variable remuneration for Dr. Felix Grawert from August 14, 2020 to December 31, 2020 and for Dr. Jochen Linck from October 1, 2020 to December 31, 2020.

Target dimension “consolidated net income for the year”

In December 2019, the Supervisory Board set a target value of EUR 19,000 for the consolidated net income for 2020. The actual figure of EUR 34,470k results in a target achievement of 181%.

Target dimension “market position”

For the “market position” target position, the Supervisory Board set targets in respect of existing markets and of growth markets which the Company should penetrate for the first time. Strong sales performance in existing markets and success in growth markets resulted in a target achievement of 162%.

Target dimension “financial and operational targets”

The “financial and operational targets” target dimension was determined by setting performance criteria in the OLED business and further strategic objectives. Target achievement in this area amounted to 11% in the past fiscal year.

Based on the target achievement in these three target dimensions, short-term variable remuneration (STI) under the new remuneration system can be calculated as follows for fiscal year 2020:

- for Dr. Felix Grawert: EUR 193k in cash,
- for Dr. Jochen Linck: EUR 81k in cash.

Long-term variable remuneration (LTI) for fiscal year 2020 under new remuneration system

In 2020, the new remuneration system was applied to the new contracts with Dr. Felix Grawert and Dr. Jochen Linck.

Target achievement for the 2020 LTI tranche is calculated by reference to the results achieved in the period from January 1, 2020 to December 31, 2022. It is determined by the following performance criteria:

- Consolidated net income for fiscal years 2020, 2021, and 2022 (50% share)
- Change in total shareholder return (TSR) from Q4 / 2019 to Q4 / 2022 (40% share)
- Sustainability (10% share), measured in terms of energy consumption in kWh normed to the most important drivers of consumption and employee training measured in terms of the number of lessons.

The share price of AIXTRON SE relevant for the TSR target remuneration for 2020 amounts to EUR 8.682. This corresponds to the average of XETRA closing prices on all stock market trading days in the 4th quarter of 2019. The degree of achievement for the performance criteria will be determined by the Supervisory Board upon the expiry of fiscal year 2022. Depending on the target achievement, the forfeitable stock awards will then be converted into vested stock awards. The stock awards will be transferred to the Executive Board after a restriction period of at least four years which, for fiscal year 2020, will expire at the earliest on December 31, 2024.

For the long-term variable remuneration (LTI) for 2020, the Supervisory Board stipulated the values of target LTI as follows:

- for Dr. Felix Grawert: EUR 163k in forfeitable stock awards for the period from August 14, 2020 to December 31, 2020
- for Dr. Jochen Linck: EUR 66k in forfeitable stock awards for the period from October 1, 2020 to December 31, 2020.

Variations from new remuneration system

There were no variations and no adjustments to the comparative group of companies in 2020 compared with the resolution adopted by the AGM in respect of the remuneration system in May 2020.

Benefits granted and payments made in fiscal year 2020

The tables below show the values of the benefits granted to the respective Executive Board members in office in fiscal year 2020 pursuant to DCGK as well as the payments actually made to the respective Executive Board members in fiscal year 2020 ("allocation" column). The "Benefits granted" section also includes details of the minimum and maximum possible values of individual remuneration pursuant to DCGK for fiscal year 2020.

Consistent with the DCGK recommendation, for the one-year variable remuneration the target value granted upon 100% target achievement is stated as the benefit granted for the year under report. The DCGK recommendations also require fixed remuneration and the one-year variable remuneration to be stated as an allocation for the respective fiscal year. For subscription rights and other share-based payments, the time and amount pursuant to German tax law are taken as the time of allocation and the allocation amount.

Benefits granted and payments made to each Executive Board member

Dr. Felix Grawert Executive Board member Member since August 14, 2017		Benefits granted				Allocation	
		2019	2020	2020 (100% target achievement)*	2020 (maximum)	2019	2020
€ 000s							
Non-performance-related remuneration	Fixed remuneration	330	373	373	373	330	373
	Fringe benefits	12	11	11	11	12	11
	Total	342	384	384	384	342	384
Short-term variable remuneration		406	460	127	1,323	406	460
Under former contract (01.01.-08.13.2020)		406	267	0	1,006	406	267
Under new contract (08.14.-12.31.2020) STI tranche 2020			193	127	317		193
Long-term variable remuneration		456	546	163	1,413	0	42
Performance-related remuneration	Share-based portion of one-year variable remuneration (restriction period 2017-2020)	0	0	0	0	0	42
	Share-based portion of one-year variable remuneration (restriction period 2019-2023)	456	0	0	0	0	0
	Share-based portion of one-year variable remuneration (restriction period 2020-2024) prorated for 01.01.-08.13.2020	0	298	0	1,006	0	0
	Under new contract (08.14.-12.31.2020) 2020 LTI tranche (restriction period 2020-2025)	0	248**	163	407	0	0
Total non-performance-related / performance-related remuneration		1,204	1,390	674	3,120	748	886
Pension allowance		0	0	0	0	0	0
Total remuneration		1,204	1,390	674	3,120	748	886

*: Disclosures on LTI tranche under new remuneration system

** : Fair value measurement of 2020 LTI tranche

The theoretical minimum and maximum remuneration for Dr. Felix Grawert under the former remuneration system amounted to € 0k and € 2,012k (former contract: 1.1. – 8.13.2020).

Benefits granted and payments made to each Executive Board member

Dr. Bernd Schulte Executive Board member Member since March 7, 2002		Benefits granted				Allocation	
		2019	2020	2020 (100% target achievement)*	2020 (maximum)	2019	2020
€ 000s							
Non-performance- related remuneration	Fixed remuneration	430	430	430	430	430	430
	Fringe benefits	13	13	13	13	13	13
	Total	443	443	443	443	443	443
Performance-related remuneration	Short-term variable remuneration	406	431	0	1,625	406	431
	Long-term variable remuneration	406	431	0	1,625	0	0
	Share-based portion of one-year variable remuneration (restriction period 2019-2023)	406		0	0	0	0
	Share-based portion of one-year variable remuneration (restriction period 2020-2024)		431	0	1,625	0	0
Total non-performance-related / performance-related remuneration		1,255	1,305	443	3,693	849	874
Pension allowance		0	0	0	0	0	0
Total remuneration		1,255	1,305	443	3,693	849	874

*: Theoretical minimum and maximum remuneration under former remuneration system applicable for Dr. Bernd Schulte.

Dr. Jochen Linck Executive Board member Member since October 1, 2020		Benefits granted				Allocation	
		2019	2020	2020 (100% target achievement)*	2020 (maximum)	2019	2020
€ 000s							
Non-performance- related remuneration	Fixed remuneration	0	83	83	83	0	83
	Fringe benefits	0	2	2	2	0	2
	Total	0	85	85	85	0	85
Performance-related remuneration	Short-term variable remuneration	0	81	52	130	0	81
	Long-term variable remuneration	0	96	66	165	0	0
	2020 LTI tranche (restriction period 2020-2024)	0	96**	66	165	0	0
Total non-performance-related / performance-related remuneration		0	262	203	380	0	166
Pension allowance		0	0	0	0	0	0
Total remuneration		0	262	203	380	0	166

*: Disclosures on LTI tranche under new remuneration system

** : Fair value measurement of 2020 LTI tranche

Stock option plans

Stock options do not form part of the “former remuneration system” or the “new remuneration system” set out above. In view of this, Dr. Felix Grawert and Dr. Jochen Linck do not hold any stock options. Only Dr. Bernd Schulte holds stock options, in this case an existing position of 50,000 stock options as of December 31, 2020. These date back to period prior to the validity of the remuneration systems described here.

The number of shares underlying the options is structured as follows:

Stock option plans

Executive Board member	Allocation date	Outstanding	Exercisable	Option value on grant date (EUR)	Exercise price (EUR)	Maturity	Lapsed shares
Dr. Bernd Schulte	Oct 2014	50,000	50,000	189,000	13.14	Oct 2024	0
	Nov 2010	0	0		26.60	Nov 2020	52,000
	Nov 2009	0	0		24.60	Nov 2019	52,000
Total		50,000	50,000				104,000

Of the expenses for stock option-based remuneration, the following amounts were attributable to the stock options held by Dr. Bernd Schulte:

in EUR thousands	2020	2019	2018
Dr. Bernd Schulte	0	0	34

In fiscal year 2020, 52,000 option rights to purchase AIXTRON shares lapsed (2019: 52,000; 2018: 0).

The Executive Board members in office in fiscal year 2020 did not exercise any option rights in 2020 (2019: 0; 2018: 0).

Outlook for application of new remuneration system in 2021

Short-term variable remuneration (STI)

For the current fiscal year 2021, the Supervisory Board has stipulated the following target dimensions and performance criteria for short-term variable remuneration (STI):

- Target dimension “consolidated net income for the year”: In December 2020, the Supervisory Board set a target value for 2021 consolidated net income in the context of its outlook for the year.
- Target dimension “market position”: For this target dimension, the Supervisory Board has stipulated targets for individual market segments for 2021.

- Target dimension “Financial and operational targets”: For this target dimension, performance criteria have been stipulated in the areas of operating performance, the market launch of new products, and for the OLED business.

Long-term variable remuneration (LTI)

For long-term variable remuneration (LTI), the Supervisory Board has stipulated the following performance criteria:

- Consolidated net income for fiscal years 2021, 2022, and 2023 (50% share)
- Change in total shareholder return (TSR) from Q4 / 2020 to Q4 / 2023 (40% share)
- Sustainability (10% share), measured in terms of energy consumption in kWh normed to the most important drivers of consumption and employee training measured in terms of the number of courses.

The target achievement for the 2021 LTI remuneration will be calculated on the basis of the results achieved in the period from January 1, 2021 to December 31, 2023. The share price of AIXTRON SE relevant for LTI target achievement amounts to EUR 11.582. This corresponds to the average of XE-TRA closing prices on all stock market trading days in the 4th quarter of 2020. Achievement of the performance criteria will be determined by the Supervisory Board upon the expiry of fiscal year 2023. Depending on the target achievement, the forfeitable stock awards will then be converted into vested stock awards. The stock awards will be transferred to the Executive Board after a four-year restriction period which, for fiscal year 2021, will expire on December 31, 2024.

Remuneration of Supervisory Board members

Remuneration of the Supervisory Board is regulated in Article 17 of AIXTRON’s Articles of Association. The currently valid remuneration system was last approved by the Annual General Meeting on May 16, 2018. Accordingly, annual fixed remuneration for individual members of the Supervisory Board amounts to EUR 60,000, with the Chairman receiving three times and the Deputy Chairman one and a half times the remuneration of an ordinary Supervisory Board member.

The Chairman of the Audit Committee receives additional annual remuneration of EUR 20,000.

The members of the Supervisory Board who are only members of the Supervisory Board for part of the fiscal year or who are the Chairman or Deputy Chairman of the Supervisory Board or Audit Committee receive one twelfth of the above mentioned remuneration on a prorated basis for each month or part thereof of the corresponding activity on the Supervisory Board.

The Company assumes insurance premiums paid for liability and legal expenses insurance to cover liability risks arising from Supervisory Board activities for the members of the Supervisory Board, as well as the insurance tax payable thereon.

The Supervisory Board members receive no loans from the Company.

The remuneration allocable to individual Supervisory Board members in fiscal years 2019 and 2020 is presented on an individualized basis in the table below. As in previous years, no remuneration was paid to Supervisory Board members for individual advisory services in fiscal year 2020.

Supervisory Board remuneration

Supervisory Board Member	Year	Fixed (EUR)	Variable (EUR)	Attendance Fee (EUR)	Total (EUR)
Kim Schindelhauer ¹⁾²⁾³⁾⁴⁾⁵⁾⁶⁾⁷⁾ (Chairman of the Supervisory Board)	2020	180,000			180,000
	2019	180,000	0	0	180,000
	2018	180,000	0	0	180,000
Prof. Dr. Anna Gersbacher ¹⁾ (since May 15, 2019) (Chairwoman of the Audit Committee) (Independent Financial Expert)	2020	80,000			80,000
	2019	53,333	0	0	53,333
	2018	0	0	0	0
Dr. Andreas Biagosch ¹⁾⁴⁾⁷⁾	2020	60,000			60,000
	2019	60,000	0	0	60,000
	2018	60,000	0	0	60,000
Prof. Dr. Petra Denk ²⁾³⁾⁶⁾	2020	60,000			60,000
	2019	60,000	0	0	60,000
	2018	60,000	0	0	60,000
Frits van Hout ²⁾³⁾ (since May 15, 2019) (Deputy Chairman of the Supervisory Board)	2020	90,000			90,000
	2019	60,000	0	0	60,000
	2018	0	0	0	0
Prof. Dr. Wolfgang Blättchen ¹⁾⁴⁾ (until May 15, 2019) (Deputy Chairman of the Supervisory Board) (Chairman of the Audit Committee) (Independent Financial Expert)	2020	0			0
	2019	45,833	0	0	45,833
	2018	110,000	0	0	110,000
Dr. Martin Komischke (until May 15, 2019)	2020	0			0
	2019	25,000	0	0	25,000
	2018	60,000	0	0	60,000
Prof. Dr. Rüdiger von Rosen ⁸⁾ (until May 16, 2018)	2020	0			0
	2019	0	0	0	0
	2018	25,000	0	0	25,000
Total	2020	470,000	0	0	470,000
	2019	484,166	0	0	484,166
	2018	495,000	0	0	495,000

¹⁾ Member of the Audit Committee

²⁾ Member of the Compensation Committee

³⁾ Member of the Nomination Committee

⁴⁾ Member of the Capital Markets Committee

⁵⁾ Former AIXTRON Executive Board Member

⁶⁾ Chair of the Technology Committee until February 2018

⁷⁾ Member of the Technology Committee until February 2018

⁸⁾ Chairman of the Nomination Committee until May 16, 2018

Directors & Officers (D&O) insurance

The Company has concluded D&O insurance for all members of its Executive and Supervisory Boards. Consistent with the requirements of § 93 (2) AktG and the correspondingly amended recommendation in Chapter 3.8 of the German Corporate Governance Code, all members of the Executive and Supervisory Boards are subject to a deductible amounting to at least 10% of the respective damages incurred and to a maximum of 1.5 times their respective annual fixed remuneration.